



AMERICAN PETROLEUM INSTITUTE

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Via Electronic Filing

Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: WC Docket Nos. 17-144, 16-143, and 05-25

Dear Ms. Dortch:

The Telecommunications Subcommittee of the American Petroleum Institute ("API") submits these Comments regarding the business data services (special access services) in response to the Second Further Notice Proposed Rulemaking and Further Notice of Proposed Rulemaking (FNPRM) in the referenced proceeding released on October 24, 2018.

I. BACKGROUND

API is the only national trade association representing all facets of the natural gas and oil industry, which supports 10.3 million U.S. jobs and nearly 8 percent of the U.S. economy. API's more than 600 members include large integrated companies, as well as exploration and production, refining, marketing, pipeline, marine businesses, and service and supply firms. Among its many activities, API acts on behalf of its members before federal and state regulatory agencies. The API Telecommunications Subcommittee evaluates and develops responses to state and federal proposals affecting telecommunications facilities used in the oil and gas industries. API is supported and sustained by companies that make use of a wide variety of wireline, wireless and satellite communications services on both a private and commercial basis.

II. COMMENTS

API agrees with the Commission that the path to deregulation is the appropriate long-term policy direction having the best opportunity to spur significant investment and renewal of infrastructure. However, API cautions the Commission on their methodology to determine whether "reasonable" competition exists at a customer's location, particularly in rural or industrial areas removed from metropolitan area population centers. In many of these areas, the presence of modern telecommunications infrastructure, let alone competitive modern infrastructure, remain "to be determined" at best.

Many issues raised in the FNPRM pertain to calibrating regulation relevant to the extent of competition in the markets for Business Data Services served by either price cap ILECs or rate of return ILECs, focusing on TDM special access services. From API's perspective the issues being addressed are removed from the realities encountered by many API member companies in remote rural areas and several highly industrialized areas adjacent to metropolitan markets. The simplified view of a

competitive landscape which is far more nuanced than suggested in the FNPRM suggests the FCC should assess the realities that API member companies encounter in their areas of concern:

- Situations where an ILEC has changed its policy in favor of not continuing to install or extend (repeat) broadband services over copper. This has had the effect of shrinking the service area with which base level broadband services such as T1/ HDSL/ADSL can be delivered. While ILECs have may have expressed an intent to install fiber, there are no indications that the ILECs are ready to do so in these areas of concern for API member companies.
- The ILEC, as a sole provider, has run out of usable copper facilities in a rural setting and is unwilling to invest now in adding copper or fiber.
- Situations where an ILEC is no longer offering TDM services, and any IP service latencies are too high to be usable. This effects electrical generation facilities at API member complexes where even 20ms of telecom latency is inadequate to support local grid protection.

III. CONCLUSION

API urges the Commission to reassess its apparent intent to move forward with the adoption of a BDS pricing flexibility in areas of concern to API member companies in the absence of ILEC commitments to maintain reasonable levels of service, let alone on the expectation of advanced IP-based facilities-based competition.

Respectfully submitted,

/S/

James Crandall